

Justin Gray

From: Ashe, Gregory <GASHE@ftc.gov>
Sent: Tuesday, August 18, 2020 10:22 AM
To: Justin Gray
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Subject: FTC v. Lead Express
Attachments: Stipulation to enter final order - Tribal Defendant 18AUG2020.docx

Counsel,

We apologize for the delay, but attached please find a draft proposed final settlement with La Posta TLE.

As you will see, we largely followed the settlements with the various tribal entities in AMG, i.e. the core injunction includes certain prohibited misreps and requires certain affirmative disclosures. The order would also deem as paid in full all existing debt to the extent consumers paid more than principal plus one interest and finance charge; to the extent consumers had not paid principal plus one interest and finance charge, that debt is assigned to the Receiver—this is similar to AMG.

In terms of monetary settlement, the order would impose a \$9.4 million judgment—this is based on our calculation (from the various P&L statements) of the revenue that La Posta derived over the course of the operation. This amount would be suspended based on the turnover of all of La Posta TLE's assets to the Receiver. We recognize that most, if not all, of these assets have already been turned over to the Receiver pursuant to the preliminary injunction; we included the turn over as a back stop in case any funds remain in those account.

Please let us know if you have any questions or comments.

In terms of process, once we reach agreement on a settlement and I have your client's acceptance, we will file a motion to stay the case as to La Posta TLE for 120 days so that the several FTC Commissioners can review and approve the settlement on our end (by law, we need a majority vote of the 5 sitting Commissioners to sign a settlement). At that point, we will file the settlement with the Court. The review process generally takes about 60-90 days, but can take shorter or longer, hence the 120 day stay.

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